

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

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Office of Legislative Counsel

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Honorable Robert N. C. Nix, Chairman
Committee on Post Office and Civil Service
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I wish to express my concern with two provisions of H.R. 6954, the financial disclosure legislation, which has been reported by your Committee.

Congress provided protection for the identity of intelligence employees in section 6 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403g). It protects the names, official titles, salaries and numbers of Agency personnel from disclosure. The need for this protection is also recognized in section 421(g) of H.R. 11245, the proposed intelligence charter. Consistent with these statutory precedents and concepts, and reflecting the practical necessity of protecting the identities of intelligence officers and employees, H.R. 6954 exempts from public disclosure reports filed by employees engaged in intelligence activities.

It is fundamentally necessary, however, that certain persons engaged in intelligence activities be assigned roles as employees of other government entities. This is always done with the consent of the head of the host entity. Because of the penalty provisions contained in proposed section 7368, H.R. 6954 forces these employees to choose one of two unpleasant alternatives. They could file a report only with their intelligence agency, thus risking disclosure of their intelligence affiliation because their report, unlike those of non-intelligence employees, would not be available from the host entity, or they could place themselves in apparent violation of the bill by filing a second report which reflects employment by the host agency.

This dilemma can be solved by permitting these employees to file a second report, if necessary to protect their identity. Under this proposal, all intelligence employees covered by this bill would still file complete and accurate reports which would be subject to review by the Office of Government Ethics. In this way, intelligence employees would be able to comply with the letter and the spirit of the legislation while fully protecting their identity as intelligence employees.

I am also concerned about the provisions of H.R. 6954 which call for a review of all reports by employees of the Office of Government Ethics. The reports filed by employees of intelligence organizations would necessarily contain information relating to intelligence sources and methods. The bill, however, does not require that security procedure be followed in the review or that the reviewers possess security clearances. I believe that there must be some indication in the bill or on the record that these requirements be met.

I would appreciate any assistance you may render in assuring that the financial disclosure legislation which passes the House addresses these concerns.

The Office of Management and Budget has advised there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,



Acting Legislative Counsel

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